

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2656 – Energy Independence (LSB 5711 HV)

Analyst: Debra Kozel (Phone: (515) 281-6767) (deb.kozel@legis.state.ia.us)

Fiscal Note Version – New

Requested by Representative Philip L. Wise

Description

House File 2656 implements the following energy efficiency initiatives:

- Creates a two-year Commission on Energy Efficiency Standards and Practices in the Department of Public Safety and specifies the membership and duties. Requires the Commission to evaluate energy standards related to construction projects and develop a Statewide energy efficiency rating system.
- Requires the Iowa Utilities Board to:
 - Establish an energy efficiency standard that reduces energy use of all gas and electric utilities by 1.5% annually.
 - Collaborate with each utility to determine an individual and cost-effective energy efficiency goal.
 - Assess the feasibility and cost effectiveness of establishing the standard and submit a preliminary report to the Governor and General Assembly by January 1, 2009.
 - Submit a final report to the Governor and the General Assembly by January 1, 2011.
- Requires the Board to establish a goal for each electric utility to produce or purchase 25.0% of total Iowa retail electric sales from alternative energy production by December 31, 2025. Permits utilities to continue trading renewable energy credits and permits the Iowa Utilities Board to establish a program that will track, record, and verify the trading of renewable energy credits.

Assumptions

- The Department of Public Safety estimates the annual cost for the Commission on Energy Efficiency Standards and Practices at \$10,000 per year for two years.
- The Iowa Utilities Board estimates the cost for three Utility Analysts at \$80,000 per year for each analyst. The positions would not be filled until the fourth quarter of FY 2009. The cost of the 3.00 FTE positions would be \$60,000 for FY 2009 and \$240,000 for FY 2010.
- The Iowa Utilities Board estimates the cost to mail 188 notices of rulemaking at \$600 for FY 2009.

Fiscal Impact

The fiscal impact of HF 2656 is an increase in General Fund expenditures of \$10,000 for FY 2009 and FY 2010 for the Department of Public Safety. The additional cost to add staff in the Utilities Division will be offset by assessments to utility companies. The fiscal impact to the consumer cannot be determined at this time.

Sources

Department of Public Safety
Iowa Utilities Board

/s/ Holly M. Lyons

March 24, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
